



Target Market Determination

NAB Now Pay Later

Determination Criteria	Description
Start date	08/09/2023
First and ongoing review period	The first review, and each ongoing review, must be completed within each consecutive 12 month period from the Start Date.
Product	NAB Now Pay Later An instalment facility with no interest, no monthly fee or late fee. Provides payment in 4 fortnightly repayments.

Target Market

Target market & product attributes	Consumer needs and objectives	Product attributes
	A person that wants an instalment facility to purchase everyday items and household goods and be able to pay for the purchases over 4 fortnightly repayments.	This facility provides the ability to make purchases now and defer payment of the purchase with 4 fortnightly repayments.
	A person that wants to manage the payment of purchases over a period to ease the cashflow burden of purchases.	This facility is for purchases: <ul style="list-style-type: none"> for everyday items; and for household goods.
	A person that wants a digital payment facility accessible through the NAB App and using digital wallet of choice.	This facility has no monthly fee or late fee. This facility does not charge interest.
	A person that wants digital access to an instalment facility with virtual Visa card for online and in-store purchases.	This facility is a digital only product accessible through the NAB App.
		This facility provides access to a non-cash payment facility in the NAB app to make purchases with a virtual Visa Card through a digital wallet of choice.
		This facility requires a person to have a NAB Classic Banking transaction account where the 4 fortnightly repayments will be charged.
	Consumer financial situation	Product attributes
	A person that wants to make purchases up to a maximum amount of \$2,000 utilising a deferred repayment arrangement.	This facility allows for maximum purchases up to \$2,000 utilising a deferred repayment arrangement based on eligibility conditions determined by NAB.

	<p>A person that wants to manage and control their spending and cash flow when purchasing everyday items and household goods through:</p> <ul style="list-style-type: none"> • through a deferred repayment arrangement • making 4 fortnightly repayments for purchases • certainty of repayment amounts • no monthly fees or late fee; and no interest 	<p>This facility offers a deferred repayment arrangement.</p> <p>This facility has 4 fortnightly repayments for all purchases.</p> <p>This facility has no monthly fee or late fee. This facility does not charge interest.</p>
Negative target market statement	<p>Not suitable for a person requiring credit with:</p> <ul style="list-style-type: none"> • the ability to make purchases of more than \$2,000 • to pay for purchases over a longer period than 4 fortnightly repayments • access to rewards points 	
Appropriateness statement	<p>NAB has considered that the product including its key attributes is appropriate for the target market including the likely objectives, financial situation and needs of consumers in the target market.</p>	

Distribution Conditions

<p>Authorisation This condition applies to all conduct</p>	<p>Condition 1</p> <p>A distributor must:</p> <ul style="list-style-type: none"> • hold an appropriate Australian Financial Services Licence (AFSL) or be an authorised representative of a AFSL holder unless an exemption applies covering the provision of financial services in respect of the product; • if the distributor is not NAB: <ul style="list-style-type: none"> - comply with the terms and conditions of any relevant distribution agreement or arrangement with NAB; and - if applicable, comply with the terms of any licensing exemption covering the provision of financial services in respect of the product. <p>This condition is appropriate as it ensures distributors are appropriately authorised to provide the relevant regulated financial services and will comply with the commercial terms agreed between the distributor and NAB.</p>
<p>General advice including Marketing This condition applies to general advice to general advice (including most marketing)</p>	<p>Condition 2</p> <p>A distributor must only provide general advice (such as marketing) as to the product if:</p> <ul style="list-style-type: none"> • a Target Market Determination (TMD) has been made and published for the product and has not been withdrawn • the distributor complies with the terms of the TMD for the product • the general advice is consistent with the consumer needs, objectives and financial situation defined in the target market for the product; and • ASIC has not issued a Product Intervention Power restricting the publication of general advice for the product by the distributor. <p>A distributor may provide general advice (marketing) as to the product through public channels such as:</p> <ul style="list-style-type: none"> • television, radio, internet (including social media), billboards and physical banners, periodicals, brochures and other marketing material available to the general public • advertising through comparison sites and rating agencies • NAB Branch • NAB Business Banking Centre • NAB Relationship Bankers • NAB Mobile Bankers • NAB's Call Centre • NAB's Mobile Application • NAB's Website

	<ul style="list-style-type: none"> • Direct Mail; and • Direct Email. <p>This condition is appropriate as the target market is wide.</p> <p>It is intended that these channels may be available to persons who would not at that time qualify for the product to be issued to them in a regulated sale, for example because they are minors or do not have the income to service the product. This is because the issue of the product is subject to Distribution Conditions 1, 3 and 4 which will ensure that the product is only issued to persons for whom it will be appropriate.</p>
<p>Retail product distribution conduct (other than General Advice)</p> <p>These conditions apply to all retail product distribution conduct that is not general advice</p>	<p>Condition 3</p> <p>A distributor must only engage in retail product distribution conduct (other than general advice) if:</p> <ul style="list-style-type: none"> • a TMD has been made and published for the product and has not been withdrawn • the distributor complies with the terms of the TMD for the product • ASIC has not issued a Product Intervention Power restricting the distribution of the product for the distributor; and • the distributor has complied with Condition 4. <p>A distributor must only engage in retail product distribution conduct (other than general advice) through:</p> <ul style="list-style-type: none"> • NAB's Mobile Application <p>This condition is appropriate as the issuer has distributed this product using these methods, with limited risk to consumers.</p> <p>Condition 4</p> <p>A distributor must only engage in retail product distribution conduct (other than general advice) if they have identified:</p> <ul style="list-style-type: none"> • that the distribution of the product is consistent with the consumer needs, objectives and financial situation defined in the target market for the product • that the person is willing and able to pay the 4 fortnightly repayments to complete the purchase • that the person is seeking access to a instalment facility with the following key attributes: <ul style="list-style-type: none"> - a maximum purchase amount of \$2,000 - access to a deferred repayment arrangement • the key difference between: <ul style="list-style-type: none"> - the product (including the specific product option requested by the consumer); and - the other low-cost or low-interest credit cards products issued by NAB. - other no cost savings accounts issued by NAB where the purchase amount can be saved and paid in full. <p>This condition is appropriate as it requires a distributor to confirm that the consumer is in the target market.</p>

Review Triggers

Review triggers	<p>NAB and any distributor of this product, must cease all retail product distribution conduct (except excluded conduct) in respect of this product within 10 business days of NAB identifying a review trigger unless:</p> <ul style="list-style-type: none"> • NAB has determined that this TMD continues to be appropriate; or • a new TMD has been made. <p>The events and circumstances described below will trigger a review of this TMD if NAB determines it may relate to the appropriateness of the TMD having regard to NAB's internal policies.</p> <p>NAB will publish notice of a review on its website.</p>
Material complaints	<p>NAB actively monitors consumer complaints and will review the appropriateness of the TMD where complaints in number or significance relate to.</p> <ul style="list-style-type: none"> • consumer understanding of the risks, key terms, conditions or key attributes of this product • the facility limit and available spend limit; and • the ability of the customer to make the 4 fortnightly repayments; and • the relationship between the NNPL facility, the virtual Visa card and NAB Classic Banking account.
Product performance	<p>NAB actively monitors product performance indicators relevant to the product and will review the appropriateness of the TMD in circumstances where:</p> <ul style="list-style-type: none"> • evidence shows that the financial situation of consumers in the target market may not be met including monitoring of: <ul style="list-style-type: none"> - consumers experiencing disproportionate non-payment of the 4 fortnightly repayments - consumers not using the facility.
Feedback from distributors	<p>Reporting received from distributors, or consistent feedback from distributors which suggests that the target market or product attributes may no longer be appropriate.</p> <p>Refer to Reporting.</p>
Substantial product change	<p>NAB makes a substantial change to the product terms, conditions or key product attributes including:</p> <ul style="list-style-type: none"> • adding to, removing or changing a product attribute • a substantial pricing change which impacts the consumer value proposition of the product • significant changes to a distribution channel and distribution strategy.
Significant change to the external environment	<ul style="list-style-type: none"> • Regulatory or legislative environment for this product. • Economic and market conditions.
Notification from ASIC	<p>NAB receives a notification from ASIC requiring immediate cessation of product distribution or particular conduct in relation to the product.</p>
Significant dealings	<p>Evidence that the distribution of the product or distributor conduct are significantly different to the expectations set out in the TMD.</p>

Reporting

Reporting period	<p>The Reporting Period for this determination is quarterly during each calendar year:</p> <ul style="list-style-type: none"> • First reporting period ending on 31 March. • Second reporting period ending on 30 June. • Third reporting period ending on 30 September. • Fourth reporting period ending on 31 December.
Reporting information	<p>A distributor must provide the following information in writing as soon as practicable or within 10 business days after the reporting period unless otherwise specified.</p>

Complaint information	Complaints related to the risks, key terms, conditions or key attributes of this product including: <ul style="list-style-type: none"> • the number of complaints • the nature and circumstances of the complaints • whether or not there has been or is likely to be consumer harm or detriment, and if so, the nature of the harm or detriment.
Feedback from distributors	Feedback that the target market or key product attributes may no longer be appropriate and not meeting the likely needs and objectives and financial situation of the class of consumers in the target market, including about: <ul style="list-style-type: none"> • consumer understanding of the risks, key terms, conditions or key attributes of this product • the facility limit and available spend limit; and • ability to make the 4 fortnightly repayments; and • the relationship between the NNPL facility, the virtual Visa card and NAB Classic Banking account.
Significant dealings	If a distributor becomes aware of a significant dealing in the product or an issue with the distributor conduct that is not consistent with the TMD, they must notify the issuer in writing as soon as practicable, and in any event within 10 business days after becoming aware.
Other information requested by NAB	Any other information requested in writing by NAB from time to time subject to: <ul style="list-style-type: none"> • The request being necessary to enable NAB to meet its legal and compliance obligations; and • NAB providing at least 30 days prior notice before the end of the Reporting Period.